CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA EMPLOYEE BENEFITS COMMITTEE

Meeting of May 28th, 1980

Attendance: Mr. H. Hemens, Chairman; Mr. A. Duff, Prof. C. Goldman, Prof. C. Potter, Miss S. O'Reilly, Mr. W.M. Reay, Prof. G. Martin, Mr. C. Waters, Miss M.D. Johnson, Mr. J.L. Bourbeau of William M. Mercer Ltd.

Minutes of the April 23rd meeting

It was proposed by Prof. Goldman, seconded by Mr. Reay and unanimously carried, that the minutes of the April 23rd 1980 meeting be approved as circulated.

Pension Increases

The Secretary had circulated a memorandum dated April 29, 1980 recommending additional ad hoc payments to retired members. (Appendix 'A' attached.) Prof. Potter enquired how the amounts of increases in ad hoc payments were determined. He then suggested that the Committee should review the practice of the 'Y' Retirement Fund which pays extra allowances to pensioners out of earnings on investments which are in excess of actuarial requirements for the previous year. A discussion ensued and the Chairman agreed to include interested representatives of the Committee in future reviews related to ad hoc adjustments.

Mr. Reay proposed that the following recommendation be made to the Board of Governors:

> "That an ad hoc payment equal to one half the increase in the Consumer Price Index between the later of January 1st 1978 and the date of Retirement and January 1st 1980 be granted to all Retirees, the minimum increase to be the lesser of the full Consumer Price Index increase and $10.00 per month, and the maximum increase to be $150.00 per month; the resulting payments to be payable for 12 months commencing June 1st, 1980 and subjet to renewal".

Subject to verification of the individual amounts payable, the proposal was seconded by Professor Potter and unanimously carried.

Group Life Insurance

The Secretary had circulated a memorandum dated May 23rd 1980 (Appendix "B") outlining the reasons for and the magnitude of the rate increase requested by Sun Life of Canada. After some discussion, it was determined that the increase requested was justified.

Group Life Insurance (Con't)

It was proposed by Professor Goldman that the Employee share of optional Group Life Insurance be increased effective June 1st, 1980 to:

Optional 1 times extra coverage - .3% of basic salary
Optional 2 times or
Survivor Income - .6% of basic salary

The proposal was seconded by Mr. Reay and unanimously carried.

Reciprocal Transfer Agreements

Mr. Duff advised the Committee that he wished to re-open the discussion regarding the possibility of entering into a Reciprocal Transfer Agreement with the Commission Administrative du Regime de Retraite (C.A.R.R.). He commented that such an agreement was being recommended by the entire Quebec University network and that Concordia should not drag its heels. He re-iterated his concern for the financial implications of this type of agreement but added that the advantages would probably outweigh such a concern. He also mentioned that two individuals had joined the University with several years prior service in one of the plans administered by "C.A.R.R.". There were some grounds to assume that these individuals were not aware that their pension credits could not be transferred to Concordia. Mr. Duff proposed that the following recommendation be made to the Board of Governors:

"That the University negociate a Reciprocal Transfer Agreement with the Commission Administrative du Regime de Retraite."

The proposal was seconded by Professor Potter.

Mr. Reay, while not opposed to Reciprocal Transfer Agreements per se, objected to any type of arrangement which would not give an equal advantage to all participants in the plan. He stated that such an agreement would benefit only the small number of individuals either coming to the University from an organization administered by C.A.R.R. or vice versa. He also pointed out that if an agreement was being recommended due to the hiring of two individuals previously covered by C.A.R.R., that it was not a valid reason.

Mr. Duff responded by assuring members of the Committee that no promises had been made to the individuals concerned regarding transfer of their prior pension credits.

The proposal passed by a vote of 4 for, 1 against and 1 absention.

Investment

The Chairman reminded Committee Members that Jarislowsky Fraser wished to meet with the Committee in July to discuss investment strategy.

The Secretary advised the Committee that he had met with Jarislowsky Fraser and Mercers regarding cash flow analysis. Mercers had agreed to provide a 5 year analysis by mid June which would allow Jarislowsky Fraser to prepare their recommendations.

He further stated that a cash flow analysis beyond 5 years would require considerably more research and expense. The Committee would have to evaluate the usefulness of such an analysis before authorizing it.

Next Meeting

It was agreed that the next meeting would be held at the call of the Chair.

The meeting terminated at 1:50 p.m.